



IVY

Capital Appreciation Fund [WMEAX]

Q2/10 Portfolio information as of June 30, 2010

Infinite Loop Category: Great American Companies

FUND PERFORMANCE^{1,2,3}

Average Annual Total Returns

Period	Class A NAV	Class A Load	Class Y	Russell 1000 Growth	Lipper Large-Cap Growth
3-Month	-13.79%	-18.75%	-13.73%	-11.75%	-12.29%
YTD	-10.25%	-15.41%	-10.10%	-7.65%	-8.67%
1-Year	7.86%	1.66%	7.97%	13.62%	11.30%
3-Year	-11.52%	-13.25%	-11.42%	-6.91%	-7.89%
5-Year	-1.99%	-3.14%	-1.88%	0.38%	-0.53%
10-Year	-2.82%	-3.39%	-	-5.14%	-4.08%
Life	-2.81%	-3.39%	0.53%	-	-
Gross Expense	1.31%	1.31%	1.16%	-	-
Net Expense	1.31%	1.31%	1.16%	-	-
Inception	6/30/00	6/30/00	9/15/04	-	-

Calendar Year Returns

Year	Class A	Class Y	Russell 1000 Growth	Lipper Large-Cap Growth
2009	38.45%	38.48%	37.21%	35.08%
2008	-46.51%	-46.43%	-38.44%	-40.70%
2007	15.04%	15.13%	11.81%	14.97%
2006	10.33%	10.31%	9.07%	4.72%
2005	9.19%	9.31%	5.26%	7.58%
2004	12.55%	-	6.30%	7.45%
2003	27.64%	-	29.75%	26.96%
2002	-15.10%	-	-27.88%	-28.11%
2001	-23.28%	-	-20.42%	-23.87%

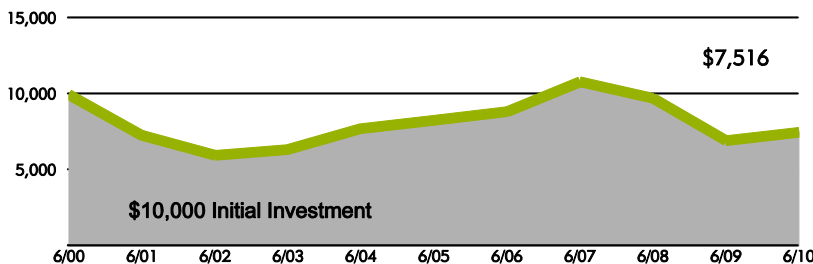
Data quoted is past performance and current performance may be lower or higher. Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate, and shares, when redeemed, may be worth more or less than their original cost. Please visit www.ivyfund.com for the most recent month-end performance.

¹ Performance at net asset value (NAV) does not include the effect of sales charges. Class A share performance, including sales charges, reflects the maximum applicable front-end sales load of 5.75%. Class Y shares are not subject to sales charges.

² Performance results include the effect of expense reduction arrangements. If those arrangements had not been in place, the performance results would have been lower.

³ Russell 1000 Growth is an unmanaged index comprised of securities that represent the large cap sector of the stock market. It is not possible to invest directly in an index.

GROWTH OF A \$10,000 INVESTMENT Class A shares- 6/30/2000-6/30/2010



Assumes an investment over 10 years or life of the share class, reinvestment of dividends and capital gains, and does not include the effect of sales charges or taxes.

LIPPER RANKINGS

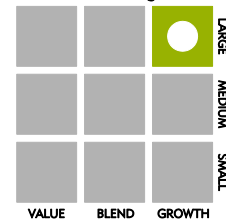
Category: Lipper Large-Cap Growth Funds

	Rank	Percentile
1 Year	724/845	86
3 Year	674/730	93
5 Year	493/615	81
10 Year	91/334	28

Rankings are for Class A Shares and are based on average annual total returns, but do not consider sales charges.

MORNINGSTAR STYLE BOX⁴

Source: Morningstar



PORTFOLIO MANAGEMENT

Barry M. Ogden, CFA/CPA

Ivy Investment Management Co.

16 years in industry

8 years with fund

OBJECTIVE

To provide long-term capital appreciation.

INVESTMENT APPROACH

We primarily invest in a diversified portfolio of common stocks of U.S. and, to a lesser extent, foreign companies considered by the fund's manager to be high quality and attractive in their long-term investment potential. While the Fund typically invests in the common stocks of large sized U.S. companies, it may invest in companies of any size, any industry or any country in order to achieve its objective. We seek to identify high quality companies that we believe can demonstrate consistent, profitable growth and strong return.



IVY

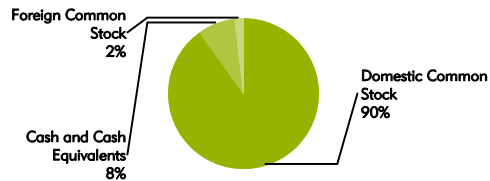
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PORTFOLIO COMPOSITION⁵

(as a % of net assets)



TOP 10 EQUITY HOLDINGS⁵

(as a % of net assets)

Apple	6.0%
Google	4.7%
Microsoft	4.3%
Hewlett-Packard	3.3%
Visa	3.2%
Costco Wholesale	3.0%
Schlumberger	2.8%
Precision Castparts	2.3%
McDonald's	2.1%
Union Pacific	1.9%

TOP 5 SECTORS⁵

(as a % of equity holdings)

Information Technology	31.7%
Industrials	15.0%
Consumer Discretionary	11.4%
Consumer Staples	11.3%
Energy	11.3%

TICKER SYMBOL

Class A	WMEAX	Class Y	WMEYX
Class B	WMEBX	Class E	IVCEX
Class C	WMECX	Class I	IVAIX

PORTFOLIO CHARACTERISTICS⁶

Fund Inception	6/30/2000
Net Assets	\$507.4 mil
Dividends	Annually
Turnover Rate (3/31/2010)	42%
Number equity holdings	73
Median market cap	\$22.1 bil
Alpha	-2.16
Beta	1.09
R-Squared	94.89
Standard Deviation	19.05
Sharpe Ratio	-0.24

Consider all factors. As with any mutual fund, the value of the Fund's shares will change, and you could lose money on your investment. An investment in the Fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. These and other risks are more fully described in the fund's prospectus. Not all funds or fund classes may be offered at all broker/dealers.

⁴ The style box reveals a fund's investment strategy by displaying the fund's investment style and the market capitalization of the stocks owned.

⁵ Information is subject to change and is not intended to represent any past or future investment recommendations.

⁶ Alpha, Beta, R-Squared, Standard Deviation and Sharpe Ratio are 5 year statistics that represent the fund's oldest share class. Alpha is a measure of a fund's actual returns and expected performance, given its level of risk (as measured by beta). Beta reflects the sensitivity of the fund's return to fluctuations in the market index. R-squared indicated how much of a fund's fluctuations were attributable to movements in the fund's benchmark. Standard deviation is a measure of how volatile a fund's returns are. Sharpe ratio is a measure of a fund's risk-adjusted performance.

Investors should consider the investment objectives, risks, charges and expenses of a fund carefully before investing. For a prospectus containing this and other information for the Ivy Funds, call your financial advisor or visit us online at www.ivyfund.com. Please read the prospectus carefully before investing.



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